

**KENTUCKY RETIREMENT SYSTEMS
SPECIAL CALLED
INVESTMENT COMMITTEE MEETING
AGENDA**

**Wednesday, April 15, 2020
10:00 a.m.**

10:00AM	Call to Order
10:01AM	Approval of Minutes*- February 4, 2020
10:02AM	Public Comment
10:05AM	New Fund Recommendation* Blue Torch – Anthony Chiu / Rich Robben
10:45AM	Performance Review
10:55AM	Recent Transactions and Current Allocations
11:05AM	TIPS Portfolio Runoff*
11:30AM	Adjourn

** All times are approximations, one or more items on this agenda may be discussed in closed session.*

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
QUARTERLY INVESTMENT COMMITTEE
FEBRUARY 4, 2020, 9:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY**

At the February 4, 2020 Quarterly Investment Committee Meeting, the following Committee members were present: David Harris (Chair), Joseph Grossman, Sherry Kramer, Kelly Downard, Keith Peercy and John Cheshire. Trustees Betty Pendergrass and Jerry Powell were also present. Staff members present were David Eager, Victoria Hale, Kathy Rupinen, Rebecca Adkins, Shaun Case, Phillip Cook, Ann Case, Kristen Coffey, Jared Crawford, Rich Robben, Andy Kiehl, Anthony Chiu, Joseph Gilbert, Alane Foley and Carol Johnson. Also in attendance were Chris Tessman, Craig Morton, and David Lindburg from Wilshire, Larry Totten, Steve Willer and Michele Hill.

Mr. Harris called the meeting to order and Ms. Carol Johnson called roll.

Mr. Harris introduced agenda item *Swearing in of New Trustee*. Mr. John Cheshire was introduced to the Committee and provided a brief personal introduction. Ms. Foley, as Notary, administered the Oath of Office to Mr. Cheshire.

Mr. Harris introduced agenda item *Approval of Minutes- November 12, 2019*. Mr. Grossman moved and was seconded by Mr. Downard to approve the minutes as presented. The motion passed unanimously.

Mr. Harris introduced agenda item *Performance Review*. Mr. Rich Robben provided an overview of investment performance. This was provided for informational purposes only.

Mr. Harris introduced agenda item *Review and Approve Revised Investment Policy Statement*. Mr. David Lindberg, Mr. Chris Tessman, and Mr. Craig Morton from Wilshire Associates gave an IPS

review of proposed changes. Both a clean copy and redline copy were provided for review on Board Books.

Mr. Harris made a motion to approve the Investment Policy Statement with the verbal changes that were discussed today. The master copy of the Statement of Investment Policy adopted February 4, 2020 would be changed as follows:

1. Page 2, Section II. A., change the first sentence to read as follows: The Chairperson authorizes and directs the appointment of an Investment Committee with full power to act for the board in the acquisition, sale and management of the securities and funds of the Systems in accordance with the provisions of the Statutes and Investment Policy of the Board.
2. Page 2, Section II. A., change the last sentence to read as follows: The Board must ratify any actions of the Investment Committee at each quarterly board meeting.
3. Page 3, change the first paragraph to read as follows: Six members of the Investment Committee must have investment experience pursuant to Kentucky Revised Statute 61.645(1)(e). The committee acts on behalf of the board on investment related matters.
4. Page 6, third paragraph, the last sentence needs to be changed to read as follows: The Board and the Investment Committee must be notified of the manager termination at the next scheduled meeting for both the Board of Trustees and the Investment Committee.
5. Page 16, Section D., Co-Investment Policy, add the following sentence to the end of paragraph two: The investment and co-investment sidebar must be within the 5% limits of any one manager's securities outstanding pursuant to Kentucky Revised Statutes.

Mr. Downard moved and was seconded by Ms. Kramer to approve the Investment Policy Statement with the verbal changes proposed today. The motion passed unanimously.

There being no further business, Mr. Downard moved and was seconded by Mr. Grossman to adjourn the meeting at 10:20 a.m. The next meeting of the Investment Committee is scheduled for 9:00 a.m. May 5, 2020. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting held February 4, 2020.

CERTIFICATION

I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.

Recording Secretary

I, as Chair of the Investment Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on February 4, 2020 were approved by the Investment Committee on April 15, 2020.

Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting on February 4, 2020 for form, content, and legality.

Office of Legal Services



KENTUCKY RETIREMENT SYSTEMS INVESTMENTS



To: Investment Committee – Kentucky Retirement Systems

From: Anthony Chiu, Director

Date: April 15, 2020

Subject: Investment Recommendation – Blue Torch Capital separately managed account

KRS staff is proposing a commitment to Blue Torch Capital, a direct lender specializing in the financing of middle market companies that are in operational transition or in need of liquidity within a short timeframe. Blue Torch's founder Kevin Genda has significant credit experience over several economic cycles, primarily from Cerberus Capital where he worked from 1995 to 2016. At Cerberus, Genda was a Senior Managing Director; the chairman of their US Lending Business; and a listed Key Person on our Cerberus KRS Levered Loan Opportunities Fund that has been investing since 2014.

Blue Torch focuses on senior secured first-lien debt for companies with at least \$100 million in revenue and insists on covenants and other structural protections in its loans. Even as a relatively new firm, Blue Torch has sourced, structured, and been the lead lender on approximately two-thirds of the 39 investments it has made.

Subject to KRS Investment Committee approval, KRS will commit to a \$200 million separately managed account that will invest with a similar strategy as the firm's commingled funds.

Business / People:

After his gardening leave from Cerberus, Genda founded Blue Torch in 2017 with 3 Principals on the investment team: Casey Callan (previously at Credit Suisse), Vuk Djunic (previously at Sounion Capital and Caxton), and Lee Haspel (previously at Fifth Street and Halcyon).

In addition to some separate accounts, Blue Torch raised an initial commingled fund of \$750MM and began investing in 2018. Fund I is now more than 85% invested, so the firm is currently raising its second commingled fund with a target size of \$1 billion. Fund II held its first close in late March 2020 and received around \$100 million of commitments.

The team has 14 employees today, including 9 investment professionals. Given the firm's growth in assets as well as recent economic turbulence, the firm is currently recruiting for an additional Vice President and an Associate.

Genda owns a significant majority of the firm, but the 3 founding Principals and CFO Gary Manowitz do have some ownership as well. They have just entered the fourth year of a five-year vesting period for their stakes in the firm and will fully vest in April 2022. The carried interest pool for the team beyond Genda is in line with market and includes most of the firm, but will require participants to contribute to the GP commitment in proportion to their share of carried interest for alignment purposes.

Investment Process and Portfolio:

Blue Torch provides senior secured debt to middle market companies facing operational, financial, regulatory, or liquidity challenges.

Sourcing is primarily done through Genda given his 30-plus years of lending and workout experience. However, the Principals are also involved and expected to utilize their relationships with trading desks, restructuring advisors, financial sponsors, other intermediaries, and even competitors.

Potential loans are allocated among Genda and the Principals, who bring on additional team resources as the deal process unfolds. However, Genda is the ultimate investment decision maker and is involved in the negotiation and structuring of all loans.

Companies that Blue Torch targets generally fall into 3 categories:

- *Underperforming private equity-owned companies that need capital
- *Public companies
- *Privately-owned companies or subsidiaries of large companies

Because of the complexity and risk involved in their borrowers' situations, Blue Torch targets an unlevered yield of 10-12% for their loans. Blue Torch also benefits from original issue discounts upfront (often in the 2-3% range), as well as prepayment penalties and make-whole provisions from deals that pay off early. Along with modest leverage (0.6 - 0.8x typically), this results in a target net return of 13-15%.

They are also able to structure deals with covenants, with Blue Torch placing a strong emphasis on Minimum Liquidity in deals they originate. Maximum leverage, minimum fixed charge coverage, and minimum EBITDA are among other covenants that populate Blue Torch's portfolio.

Loan terms are usually three to five years, with an average life of two years. To date, Blue Torch has invested in 39 deals and had 9 payoffs, and their first fund has returned a 14.8% net IRR as of the end of 2019.

Conclusion: Staff is recommending an investment of \$200 million in Blue Torch to be shared among all plans.

Investment and Terms Summary

Type of Investment: Opportunistic

Structure: Separately Managed Account

Management Fee: 0.75% on gross invested capital (includes leverage)

Performance Fee: 15% over an 8% preferred return, with a European waterfall

Purpose: Capture the yield resulting from Blue Torch's sourcing, structuring, and underwriting of debt for companies that are in operational or financial transition. Participate in equity upside from borrowers who have to share some with Blue Torch to access its liquidity.

Risks: Key Person / Team Turnover, Credit, Leverage, Liquidity

Exp. Net Return: 12% - 15%

Funding Source: Cash on hand



BLUE TORCH CAPITAL LP

February 2020

Important Disclosures

This Presentation (“Presentation”) is for informational and discussion purposes, is qualified in its entirety by the relevant private placement memorandum (“PPM”), which includes a detailed discussion of risk factors, and other fund documents and is subject to change without notice.

This Presentation is not intended to be relied upon as the basis for an investment decision, and this Presentation is not, and should not be assumed to be, complete. Under no circumstance is this Presentation to be used or considered as an offer to sell or a solicitation of an offer to buy, any security. Such offer and solicitation may only be made to qualified purchasers pursuant to the PPM, and only in those jurisdictions where permitted by law.

This Presentation contains certain forward-looking statements, which include, but are not limited to, estimates with respect to financial condition, results of operations, and success or lack of success of Blue Torch Capital LP’s (“Blue Torch”) investment strategy. Any projections or other estimates in this Presentation, including targeted returns, are forward-looking statements and are based upon certain assumptions. Events, which may have not been taken into account, may occur and may significantly affect performance. Any assumptions should not be construed to be indicative of the actual events that will occur. Actual events are difficult to predict and may depend upon factors that are beyond the control of Blue Torch. Certain assumptions have been made to simplify the presentation and, accordingly, actual results will differ, and may differ significantly, from those presented. Some important factors which could cause actual results to differ materially from those projected or estimated in any forward-looking statements include, but are not limited to, the following: changes in interest rates and financial, market, economic or legal conditions.

The information contained herein does not purport to present a complete picture of Blue Torch, Blue Torch Credit Opportunities Fund I LP (“Fund I”), Blue Torch Credit Opportunities Fund II LP (“Onshore Fund II”), Blue Torch Offshore Credit Opportunities Fund II (“Offshore Fund II” and together with Onshore Fund II, “Fund II”; each of Fund I and Fund II is referred to herein as “a Fund”) or any other funds, vehicles or accounts managed or contemplated to be managed by Blue Torch (collectively, the “Blue Torch Platform”). There are numerous factors related to the markets in general or to the implementation of any specific investment program which cannot be fully accounted for in the preparation of the summaries presented herein. No conclusion of any type or kind should be drawn regarding the future performance of Blue Torch or the Fund based upon the information presented herein. Nothing in this Presentation is intended to be taken by, and should not be taken by, any recipient as legal, business or tax advice.

Certain economic and market information contained herein has been obtained from published sources prepared by other parties, which in certain cases has not been updated through the date of the distribution of this Presentation. While such sources are believed to be reliable for the purposes used herein, Blue Torch does not assume any responsibility for the accuracy or completeness of such information. Further, no third party has assumed responsibility for independently verifying the information contained herein and accordingly no such persons make any representations with respect to the accuracy, completeness or reasonableness of the information provided herein.

The views expressed herein are those of Blue Torch and not of any other person and are made as of the date of this Presentation and not as of any future date.

The information contained herein is confidential information regarding Blue Torch. By accepting this information, the recipient agrees that it will, and it will cause its directors, partners, officers, employees, attorney(s), agents and representatives, to use the information only to evaluate its potential interest in the investments and strategies described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. These contents are proprietary information of Blue Torch and may not be reproduced or disseminated in whole or part without the prior written consent of Blue Torch.

For important information about the presentation of performance returns in this Presentation, please see slide 18.

Mercury Capital Advisors LLC has been engaged as placement agent in connection with the capital raising and may use its affiliates and certain subagents to assist it in its placing activities. Mercury Capital Advisors LLC is a member of the Financial Industry Regulatory Authority and a securities broker-dealer registered with the SEC.

Mission Statement

Blue Torch's objective is to deliver attractive risk-adjusted returns to investors by generating interest and fee income through bespoke credit solutions for middle market borrowers in need of transitional capital.

Blue Torch Capital

Blue Torch believes the strengths of its team, sourcing capabilities, and focus on unique credits, together with its ability to deliver bespoke solutions quickly and efficiently, help generate attractive risk-adjusted returns for investors



Experienced Team

- The Blue Torch team is led by Kevin Genda, who helped build and lead the Cerberus direct lending business from 1995 to 2016
- 13 dedicated professionals averaging 13 years of experience across multiple credit cycles and periods of volatility
- Blue Torch is looking to raise \$1 billion for Fund II¹ in order to continue the firm's strategy of lending to "companies in transition"



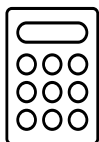
Opportunistic and Flexible Approach to Lending

- Primary focus is a direct lending strategy to "companies in transition" – those that may require a solutions-oriented lender with experience underwriting complex situations, be undergoing operational, financial, legal or regulatory transformations or hurdles, or require financing solutions within an accelerated time period
- Flexible mandate allows Blue Torch to pivot depending on market conditions and pursue opportunities investing in participation and secondary markets, alongside middle market private equity firms and bank backlogs



Sourcing

- Extensive relationship network from Kevin Genda's 32 years of investing with management teams, restructuring firms, law firms, middle market private equity firms, commercial banks, investment banks and other middle market lenders
- Active pipeline having reviewed 174 prospects in Q4'2019, representing 2.6x growth over a 2-year period



Risk Management

- Aim to underwrite to potential downside and workout scenarios through understanding of both tangible and intangible assets along with distressed enterprise values
- Portfolio diversity by industry, borrower, and underlying assets in order to de-risk loss potential associated with any one credit
- Focus on conservative entry points with a weighted average Blue Torch Platform portfolio Attachment Point of 3.3x loan to EBITDA²



Compelling Track Record and Return Profile

- As of December 31, 2019, the Blue Torch Platform has deployed over \$1.2 billion across 36 positions. Fund I has generated a 19.6% and 14.8% Gross IRR and Net IRR³, respectively
- Aim to distribute 1.5% of NAV quarterly (6% annually)
- Strong alignment of interest through sizeable GP commitment and meaningful investment in platform growth

1. Please refer to slide 2 for definition of Fund II and like terms throughout the Presentation.

2. Calculated as an average of portfolio company leverage ratios weighted by their outstanding commitment value as of December 31, 2019.

3. Represents only the Gross and Net IRRs for Fund I during the Fund I Performance Period as of December 31, 2019. For definitions of Gross IRR and Net IRR, please see slide 17.

Why Blue Torch?

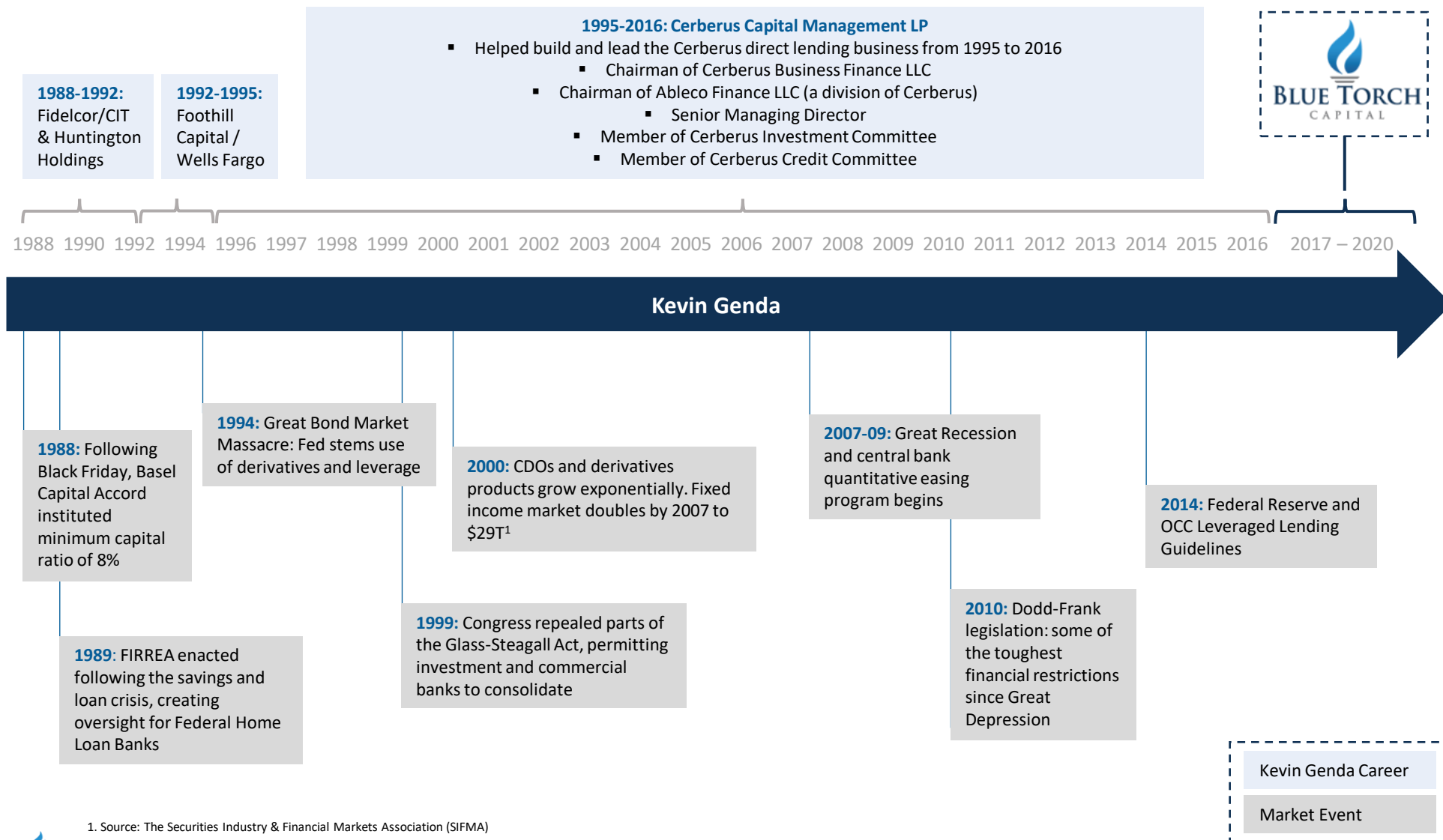
In an increasingly crowded private credit landscape, Blue Torch believes that it fills a void left by other managers in the space and offers a unique and differentiated value proposition

- ✓ Deep industry expertise - Kevin Genda has over 30 years of opportunistic lending experience, through multiple credit cycles
- ✓ Focus on primary originations to companies in transition enables Blue Torch to write its own loan documents which include covenants and target distressed-like returns while primarily taking senior secured, first lien risk
- ✓ Perform investment due diligence utilizing its own consultants, providing an information advantage during underwriting, which is critical for structuring and downside protection
- ✓ Flexible mandate to capitalize on dislocations in all market conditions
- ✓ Ability to deploy capital in a non-distressed environment - as of December 31, 2019, the Blue Torch Platform has deployed over \$1.2 billion across 36 positions. Fund I has generated a 19.6% and 14.8% Gross IRR and Net IRR¹, respectively

1. Represents only the Gross and Net IRRs for Fund I as of December 31, 2019. For definitions of Gross and Net performance, please see slide 17.

Private Credit: A History with Kevin Genda

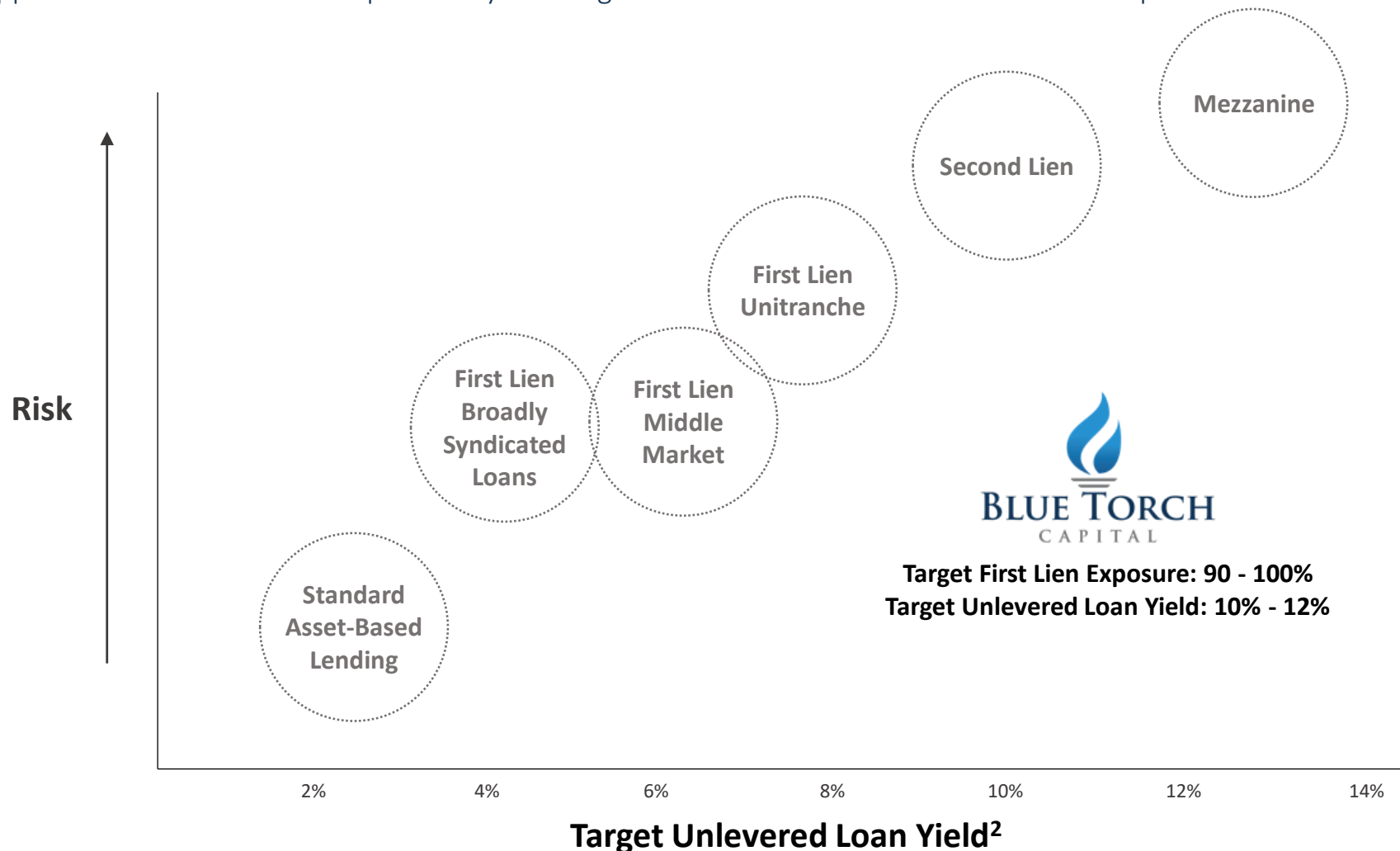
Kevin Genda has thirty years of experience as a pioneer in private credit investing across multiple cycles



1. Source: The Securities Industry & Financial Markets Association (SIFMA)

Blue Torch Strategy Fills Void in Private Credit Market

Blue Torch Capital's strategy is to invest in opportunities that seek to offer attractive unlevered yields compared to other opportunities with similar risk profiles by focusing on transactions that lack substantial competition¹



1. These Fund I and Fund II target unlevered loan yields ("Yields") are an estimate by Blue Torch. The Yield of the actual portfolio assets could differ materially. In particular, Yields may be driven by external factors including market conditions and opportunities available at the time. No representation is made that these Yields are or will be attainable. See additional footnotes 1 and 2 on page 12.

2. Target unlevered loan yields represent the targeted rate of return on each investment (taking into account all expected cash flows in respect of such investment in accordance with its terms) before taking into account: (i) fund-level leverage, (ii) fees and carried interest, and (iii) other fund expenses, which would reduce returns if taken into account. Target unlevered loan yields, individually or in the aggregate, may significantly differ from the Fund's ultimate internal rate of return. Accordingly, average target unlevered loan yields should not be used as a primary basis for a decision to invest in the Fund.

Opportunistic Lending

Blue Torch employs a flexible mandate that enables it to opportunistically originate and evaluate investments in any market environment across a range of credit products

PRIMARY FOCUS

Loans to Companies in Transition (60% – 100%¹)

- Middle market companies which may require a solutions-oriented lender with experience underwriting complex situations, be undergoing operational, financial, legal or regulatory transformations or hurdles, or require financing solutions within an accelerated time period

OPPORTUNISTIC FOCUS

Participation and Secondary (up to 30%¹)

- Opportunities in these two spaces primarily consist of non-broadly syndicated loans with typical global tranche sizes of \$100 million to \$500 million and five to 20 participants

Middle Market Private Equity (up to 30%¹)

- Loans to borrowers in conjunction with buyouts or recapitalizations by private equity firms, or to existing private equity firm portfolio companies in support of refinancings or acquisitions

Bank Backlog (up to 30%¹)

- Loans originally committed to by banks, where a dislocation of initial agreed upon terms and end-investor demand exists between transaction commitment and syndication

Blue Torch aims to generate superior risk-adjusted returns via an all-weather approach that allows it to take advantage of ever-changing market conditions

1. These figures represent the expected percentage of Fund II's portfolio exposure, assuming all committed capital is called (other than committed capital reserved for future needs of Fund II).

Companies in Transition

Blue Torch seeks to maximize total return regardless of economic conditions by investing primarily in the loans of middle market businesses undergoing borrower-specific transformations or hurdles

Loans Outstanding

- The post-crisis lending environment began in 2013 and continues to proliferate to this day with loans outstanding nearly double the previous cycle's peak

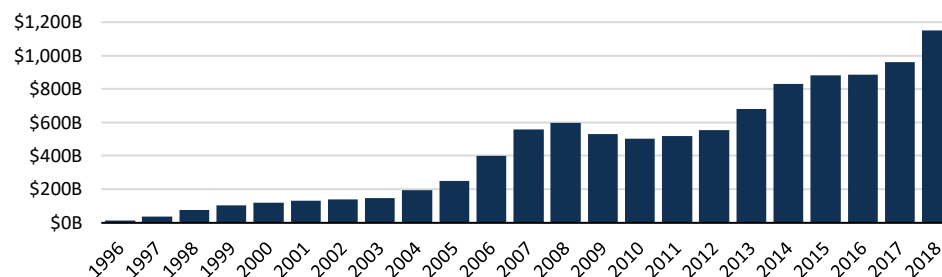
Middle Market Leverage

- Leverage multiples have increased and remain at elevated levels
- Blue Torch remains conservative, with a weighted average Blue Torch Platform portfolio Attachment Point of 3.3x loan to EBITDA as of December 31, 2019

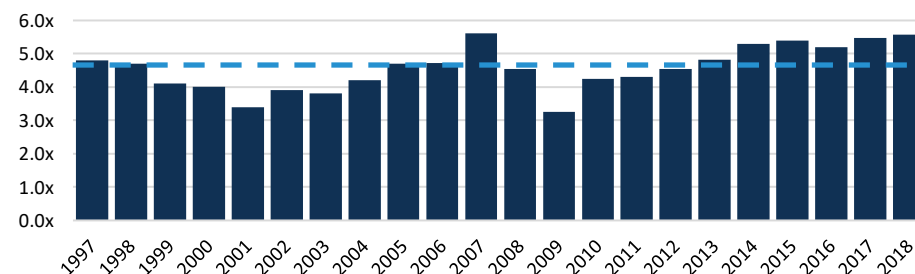
Default Rates

- Default rates have remained near historical lows due to an increased prevalence of covenant-lite or covenant-loose structures and benign economic conditions
- Blue Torch does not need a high default rate in order to execute on its strategy

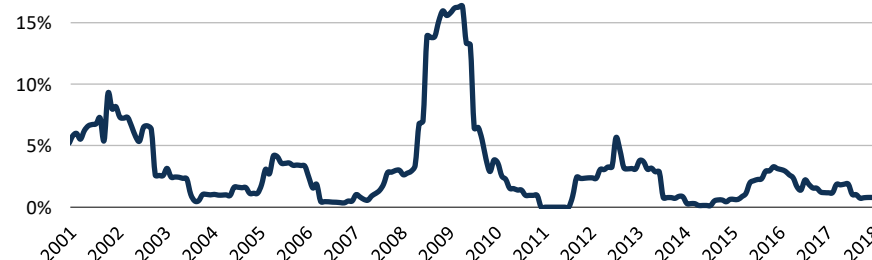
Par Amount Outstanding of Leveraged Loans¹



Average Debt Multiples of Middle-Market Loans¹



Lagging 12-Month Default Rate – Principal Amount¹

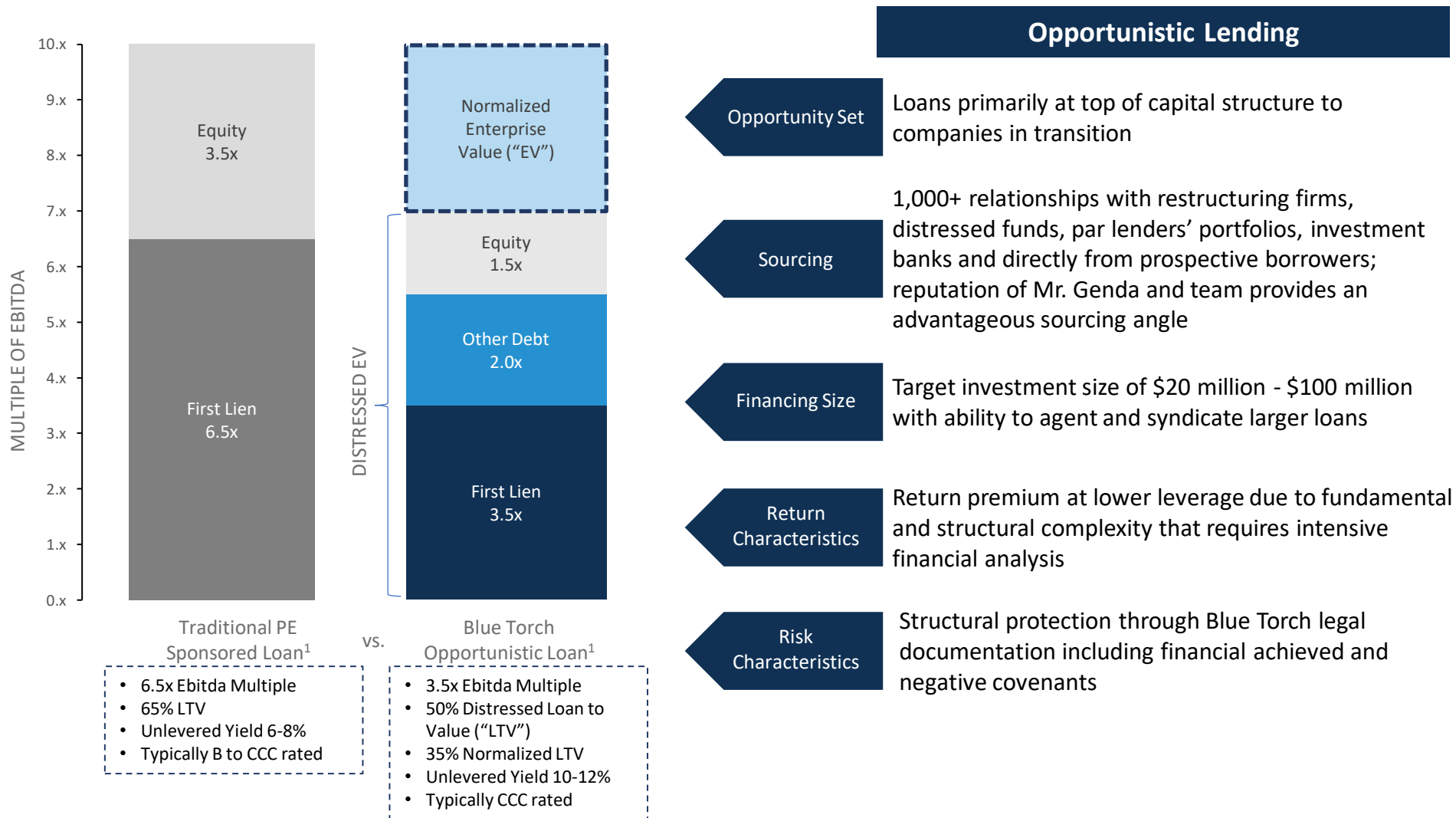


1. Source: S&P Global Market Intelligence LCD Quarterly 2018 Q4 Report, "Average Debt Multiples of Middle Market Loans" as defined as issuers with EBITDA less than or equal to \$50M

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Differentiated Approach

Blue Torch believes origination of loans to companies in transition can yield an attractive risk-adjusted return profile compared to a traditional private equity sponsored loan



1. The characteristics and terms are hypothetical and are for illustrative purposes only. There is no assurance Blue Torch will achieve results comparable to those shown herein.

Blue Torch Opportunity Today

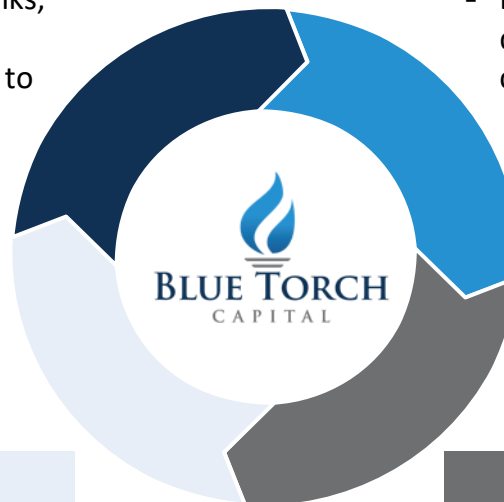
Blue Torch's differentiated strategy leads to unique potential opportunities

Flexible Mandate is an Advantage

- Ability to support a variety of borrowers' needs allows Blue Torch to fill the gap in the financing market where traditional capital providers (banks, BDCs, CLOs, hedge funds) cannot
- Flexibility based on market conditions in order to take advantages of dislocations in the credit market

Speed of Execution

- Opportunistic lending situations are often time-consuming and require quick turnaround times
- Lean, experienced team allows Blue Torch to diligence and close transactions ahead of competitors



Track Record and Robust Pipeline

- Borrowers and sourcing relationships place a premium on partners with a recent track record of deal execution
- Over \$1.2 billion deployed across 36 positions in Blue Torch Platform. Fund I generating a 19.6% and 14.8% Gross IRR and Net IRR, respectively¹
- Active pipeline having reviewed 174 prospects in Q4'2019, representing 2.6x growth over a 2-year period

Experience with Complex Situations

- Focus on complex situations that require tailored financial solutions
- Lending to middle market companies is highly complex due to its private nature, breadth of structures, varying sources of deal flow, limited regulation, and often scarce public available information
- Blue Torch aims to underwrite to potential downside and workout scenarios. The Investment Team has extensive experience in workouts across the majority of industries/sectors

1. As of December 31, 2019. For definitions of Gross and Net performance, please see slide 17.

Blue Torch Investment Profile

Diversified portfolio by borrower, industry and geography of primarily senior loans to companies in transition

Target Portfolio Composition^{1,2}

Borrower EV Range	\$100 million to \$1 billion+
Borrower Revenue Range	\$100 million to \$1 billion+
Retained Loan Size	\$20 million to \$100 million
Loan Originations Outstanding	25 to 35+
Direct Originations / Primary Loans	80% - 100%

Target Return Characteristics³

Unlevered Loan Yield	10% - 12%
Leverage	0.6x to 0.8x ⁴
Cost of Leverage	L+250
First Lien Exposure	75 - 100%
Net Levered Fund Return	13% - 15%

1. These target characteristics are an estimate by Blue Torch. The characteristics of the actual portfolio could differ materially. In particular, these are driven by external factors including market conditions and opportunities available at the time. No representation is made that these are or will be attainable. Please also see footnote 2 on page 7.

2. This is a target allocation only and there is no guarantee that Fund II's portfolio will reflect such allocation, as a number of factors may impact such allocation, including the availability of appropriate investments.

3. The targeted rates of return included in this Presentation are targets only and are for illustrative purposes only. Accordingly, no assumptions or comparisons should be made based upon these returns. Targeted returns are subject to inherent limitations. These target returns are based on a number of other assumptions, including with respect to interest rates, prepayment rates, default rates and economic conditions more generally. These assumptions may prove inaccurate, thereby undermining Blue Torch's ability to achieve such targets. In addition, target returns are subject to risks and uncertainties that may change at anytime, and, therefore, actual results may differ materially from those expected. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that will be achieved or is likely to be achieved or will be reflected or any particular result or that investors will be able to avoid losses, including total losses of their investment. Inherent in any investment is the potential for loss. While Blue Torch believes that its assumptions are reasonable, Blue Torch cautions that it is very difficult to predict the impact of factors, and, of course, it is impossible to anticipate all factors that could affect actual results.

4. While the Fund has a target leverage level of 0.6x to 0.8x, the maximum leverage level is 1.25x. Target leverage is exclusive of the use of subscription facilities.

Differentiated Sourcing Capabilities

Extensive network of industry relationships has led to 2.6x growth of investment prospects reviewed over a 2-year period

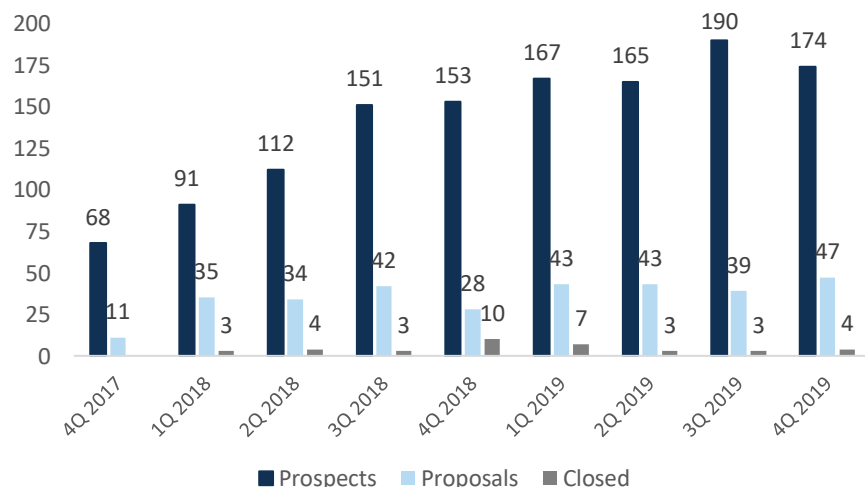
Proprietary Sourcing Relationships

- Management Teams
- Restructuring firms
- Law firms
- Middle market private equity sponsors
- Commercial banks
- Investment banks
- Middle market lenders

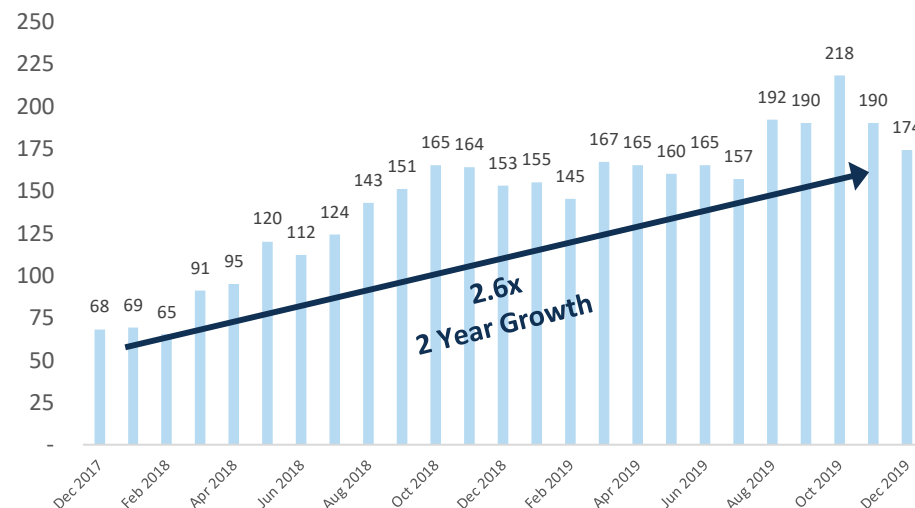
Blue Torch as a Solution Provider

- Understanding of the prospective borrower, industry, collateral
- Ability to execute diligence and underwriting quickly
- Ability to work with complex capital structures
- In-depth knowledge of investing in illiquid assets
- Experience with workout processes

Quarterly Deal Pipeline¹



Trailing 3-Month Prospect Count¹



1. Represents potential investment opportunities reviewed by Blue Torch

Portfolio Management

Blue Torch embraces a proactive, disciplined and resourceful approach to portfolio management

Active Engagement by Investment Team

In order to promote a culture of accountability, the same two-person team that underwrites each investment continues to monitor the loan until pay off

Disciplined Portfolio Monitoring

The investment team monitors borrower performance, industry trends, and market conditions in real-time and discusses formally at no less than weekly portfolio review meetings

Diversification Across Portfolio

Blue Torch seeks to maintain portfolio diversity by industry, borrower, and underlying assets in order to de-risk loss potential associated with any one credit

Fund II – Representative Summary of Terms¹

Target Fund Size	\$1.0 billion
Investment Period	3 years from initial closing date
Fund Term	3 years after the end of the Investment Period with three 1-year extensions at the GP's discretion
Management Fee	1% on Total Assets ²
Preferred Return	6%
Carried Interest	15%
General Partner Catch-Up	100%
Quarterly Distributions	1.5% of NAV (6% Annually) ³
Recycling	Yes, during the Investment Period, outside of quarterly distributions

1. The above summary of terms is indicative only and subject to change and finalization. Target fund size includes Fund II and parallel funds, vehicles and managed accounts raised simultaneously with Fund II.

2. Based on total assets of Fund II per the financial statement balance sheet as of a respective quarter-end date.

3. Expected to be made during the Investment Period beginning after the Final Closing Date, subject to Blue Torch's sole discretion to reduce or suspend any time.



Blue Torch Platform – Portfolio

Important Disclosures

Important Performance Disclosures and Definitions

Performance returns presented herein are for Fund I only, for the period of January 4, 2018 (Fund I's Inception Date) through December 31, 2019 ("Fund I Performance Period"). Fund II has not yet made any investments and has generated no performance returns. Fund I's performance returns are unaudited and estimated pending the year-end audit, are subject to revision by Blue Torch and are provided solely as a guide to current expectations.

As used in this Presentation, these terms have the following meanings:

Internal Rate of Return ("IRR") is the annualized effective compound rate of return and is based on overall Fund I capital contributions, distributions, capital calls, and ending capital accounts. The IRR performance calculation includes historical cash flows (including all capital contributions and distributions and realized gains and losses) and unrealized gain and loss on outstanding investments (which are valued as discussed below).

Gross IRR refers to the IRR excluding the impact of management fees, carry allocations, professional fees, other expenses and taxes, any one of which would reduce Gross IRR.

Net IRR refers to the IRR calculated based on total capital contributions and capital distributions to and from the Fund based on actual dates of the respective capital activity and on an aggregated fund-level basis. Net IRR is inclusive of Fund I's fees, expenses and carried interest.

The Fund's investments are valued at each quarter-end at their fair value consistent with ASC Topic 820 and Blue Torch's valuation policies and procedures. The current fair value of outstanding portfolio loans or other investments that are not actively traded is determined in accordance with Blue Torch's valuation policies and procedures. The determination of the current fair value of each portfolio loan or other investment is based on several inputs, including, among other factors, scheduled payments and comparable market yields. Because many of the loans or other investments are not actively traded, this determination of current fair value is a material factor in determining IRR performance. Actual amounts subsequently realized on an investment may differ materially from the current fair value, and accordingly the actual IRR performance may differ materially from that stated herein. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the returns contained herein and any differences may be material.

The IRRs shown are calculated using the actual cash flows of all partners in Fund I and do not represent the returns of any individual investor. An individual Fund I investor's performance will likely materially differ from Fund I's Net IRR since inception due to numerous factors including the time of when an investor was admitted to the Fund and therefore the transaction dates of respective capital activity, late interest paid and/or received, and actual management fee and carry allocations in respect of an individual investor. IRRs include the impact of reinvesting certain income proceeds and returns of capital.

The Fund utilizes a subscription line of credit which has the effect of increasing the IRR. Had the subscription line not been used, IRRs may have been materially different.

There can be no assurance that Blue Torch's investment strategy will achieve any targets or that there will be any return on capital. Past performance is not indicative of future results and nothing herein is, or shall be relied on as, a promise or representation as to future performance. Investment returns and the principal value of an investment will fluctuate and may be volatile. The returns of Fund I include the impact of leverage and it is expected that Fund II will utilize leverage as well. There is no secondary market for an investor's interest in the Fund and none is expected to develop. There are restrictions on transferring interests in the Fund. The Fund's fees, expenses and carried interest will reduce the Fund's returns. An investment in the Fund involves significant risks, including the risk of loss of capital. The Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the risks inherent in an investment in the Fund. No assurance can be given that the Fund's investment objectives will be achieved. Actual performance returns for investors may be significantly lower or higher than the performance returns presented, due to, among other things, the time of when an investor was admitted to the Fund and other factors.

The information in this Presentation is subject to change. Actual characteristics and performance may differ from the assumptions used in preparing these materials. Changes in assumptions may have a material impact on the information set forth in this Presentation. Neither Blue Torch nor its affiliates make any representation or warranty as to the appropriateness or accuracy of such assumptions or the actual yield that an investor may receive on a potential transaction or any investment in connection therewith. Blue Torch has no obligation (express or implied) to update any or all of the information contained herein or to advise you of any changes; nor does Blue Torch make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors.

Blue Torch Platform Portfolio Snapshot

Portfolio Summary as of December 31, 2019, \$ in millions

Blue Torch Platform Summary Statistics¹

Number of Issuers	36
Number of Assets	55
Gross Loan Commitments (\$M)	1,379.9
Gross Capital Deployment (\$M)	1,275.7
Fund I Gross IRR since inception ²	19.6%
Fund I Net IRR since inception ²	14.8%
Originations / Primary Loans	98.6%
Secondary Loans	1.4%
First Lien Loans	100.0%
Second Lien Loans	0.0%

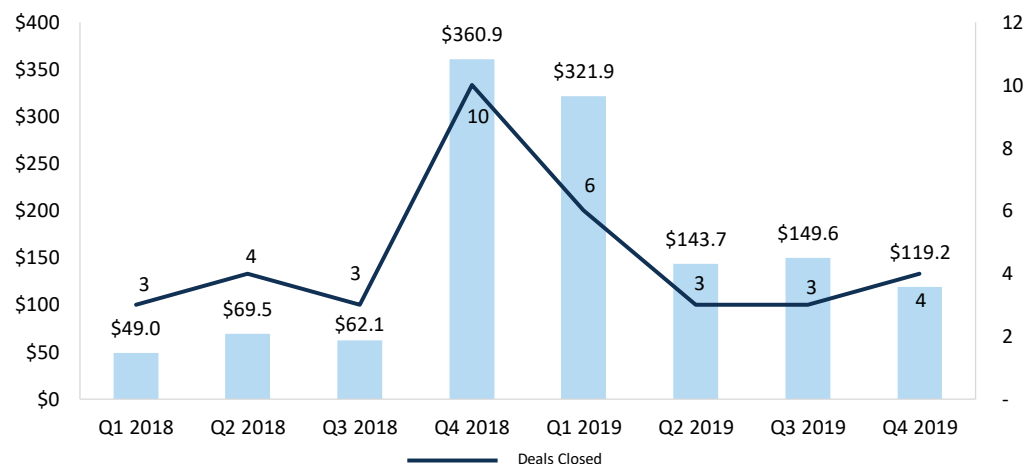
Blue Torch Platform by Industry Group³

Automobiles & Components	1.7%
Capital Goods	10.0%
Consumer Durables & Apparel	1.9%
Energy	9.9%
Food & Staples Retailing	7.2%
Health Care Equipment & Services	7.9%
Household & Personal Products	4.6%
Insurance	2.3%
Materials	12.6%
Media & Entertainment	9.5%
Retailing	3.8%
Software & Services	0.8%
Technology Hardware & Equipment	7.9%
Telecommunication Services	6.3%
Transportation	13.5%
Total	100.0%

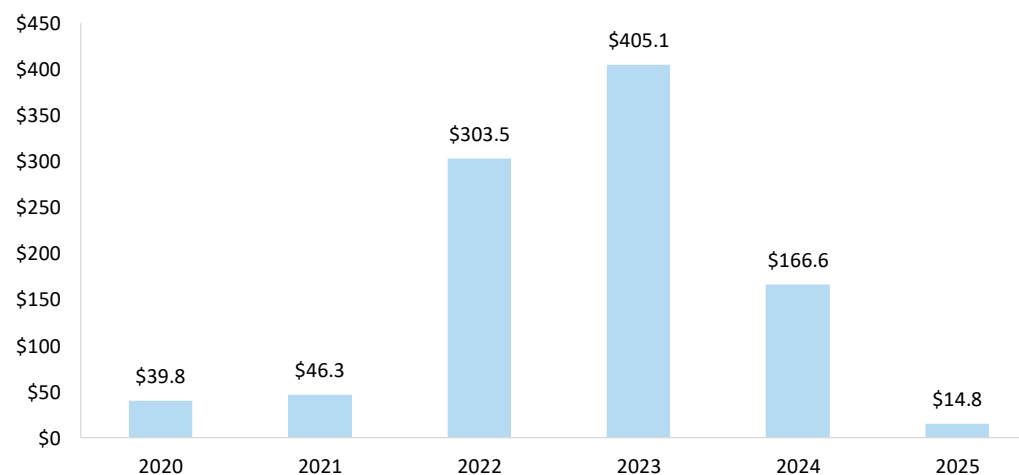
Portfolio Diversification by Geography³

United States	100.0%
Total	100.0%

Gross Capital Deployment and Deal Closing Timeline



Distribution of Loan Maturities⁴



1. Calculated based on total gross loan commitments of the Blue Torch Platform as of December 31, 2019.

2. Represents only the Gross and Net IRRs for Fund I during the Fund I Performance Period as of December 31, 2019. For definitions of Gross IRR and Net IRR, please see slide 17.

3. Calculated as a percentage of gross capital deployed across the Blue Torch Platform by Industry Group as of December 31, 2019.

4. Based on outstanding commitments as of December 31, 2019

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Investment Team Biographies

Investment Team Biographies

Kevin Genda – Founder and Chief Executive Officer

Mr. Genda is the Founder and Chief Executive Officer of Blue Torch. Mr. Genda leads all investment, operational, and strategic decisions of Blue Torch. Prior to forming Blue Torch in 2017, Mr. Genda worked with Cerberus Capital Management, L.P. for 21 years, most recently as a Senior Managing Director and Chairman of Cerberus Business Finance LLC. During his time with Cerberus, Mr. Genda served as a member of the Investment Committee, a member of the Credit Committee and Chairman of Ableco Finance LLC. Prior to Cerberus, Mr. Genda worked with Wells Fargo Foothill Capital, Huntington Holdings and Fidelcor/CIT. Mr. Genda graduated from Yale University with a BA in Economics.

Casey Callan – Principal

Mr. Callan is a Principal of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Callan was a Vice President at Credit Suisse in the Distressed & Special Situations Group, where he recommended and managed loan trading positions and participated in the negotiation and execution of balance sheet restructurings. Mr. Callan graduated from Duke University with a BS in Economics and a BA in Mathematics.

Vuk Djunic – Principal

Mr. Djunic is a Principal of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Djunic was a Senior Credit Analyst at Sounion Capital, where he focused on high yield and distressed credit. Prior to that, Mr. Djunic worked at Caxton Associates in the High Yield Group. Earlier in his career, Mr. Djunic worked at Moore Capital and J.P. Morgan. Mr. Djunic graduated from Harvard Business School with an MBA and Brown University with a BA in Economics.

Lee Haspel, CFA – Principal

Mr. Haspel is a Principal of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Haspel was a Portfolio Manager at Fifth Street Asset Management, where he focused on middle market lending, tradable credit and portfolio financings. Prior to that, Mr. Haspel worked as a leveraged loan trader and portfolio analyst at Halcyon Asset Management. Mr. Haspel graduated from Tulane University with a BS in Finance.

Investment Team Biographies

Andrew Bernstein – Vice President

Mr. Bernstein is a Vice President of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Bernstein was a Principal at Jupiter Peak Capital where he focused on providing capital solutions to asset managers and owners of illiquid assets trapped in restrictive investment vehicles. Prior to that, Mr. Bernstein worked at Crestline Investors. Earlier in his career, Mr. Bernstein worked at Berkshire Global Advisors and Milestone Advisors. Mr. Bernstein graduated from The University of Texas at Austin with an MPA in Accounting and Washington University in St. Louis with a BSBA in Finance and Accounting.

Ryan O'Donnell – Vice President

Mr. O'Donnell is a Vice President of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. O'Donnell was an Associate at Guggenheim Securities in the Restructuring Group where he advised companies and creditors in connection with in- and out-of-court balance sheet restructurings. Prior to that, Mr. O'Donnell was an Associate at Davidson Kempner Capital Management in the Distressed Group. Prior to that, Mr. O'Donnell was an Analyst at Miller Buckfire. Mr. O'Donnell graduated from Georgetown University with a BS in Business Administration.

Joe Scala – Vice President

Mr. Scala is a Vice President of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Scala was a Vice President at Garrison Investment Group where he focused on senior secured lending to middle market companies. Prior to that, Mr. Scala was in the Private Credit Group at LStar Capital. Earlier in his career, Mr. Scala was in the Opportunistic Strategies Group at Crestline Investors. Mr. Scala graduated from Seton Hall University with an MBA in Finance and Amherst College with a BA in Economics.

Aasir Khan – Associate

Mr. Khan is an Associate of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Khan was an Associate at MidOcean Credit Partners on the Credit Opportunities Fund where he evaluated high yield and leverage loan investments across performing and stressed mandates. Prior to that, Mr. Khan was an analyst at TIAA-CREF Asset Management on the high yield debt team. Mr. Khan graduated from Cornell University with a BS in Hospitality Administration.

Ed Lindo – Associate

Mr. Lindo is an Associate of Blue Torch and is responsible for all aspects of a credit investment process. Prior to joining Blue Torch, Mr. Lindo was an Associate at Jefferies Group LLC where he was responsible for the underwriting, execution, and monitoring of leveraged finance transactions. Prior to that, Mr. Lindo was an Assistant Vice President at Amalgamated Bank. Mr. Lindo graduated from Baruch College with a BBA in Finance and Investments.

Blue Torch Capital LP

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Chief Executive Officer
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KENTUCKY RETIREMENT SYSTEMS INVESTMENTS



To: KRS Investment Committee of the Board of Trustees
 From: Richard Robben, Executive Director – Office of Investments
 Date: April 15th, 2020
 Subject: Report on Recent Investment Activities

Investment Activity

Rebalancing

Purchases and Commitments

KRS Equity Rebalancing			
	US	International	Total
Pension	\$506,850,000.00	\$240,000,000.00	\$746,850,000.00
Insurance	\$206,150,000.00	\$106,000,000.00	\$312,150,000.00
Total	\$713,000,000.00	\$346,000,000.00	\$1,059,000,000.00

- Marathon – Provided \$25mm for investment into structured credit.
- Waterfall – Provided \$55mm for investment in structured credit.
- Arrowmark – Committed \$150mm for investment in a TALF facility.
- Columbia – Provided \$109mm for investment into High Yield bonds.

Sells

NISA (Core Fixed Income) – \$325mm on 3/31/2020
 Lord Abbett (Core Fixed Income) - \$275mm on 4/2/2020, \$200mm on 3/31/2020
 Loomis (Core Fixed Income) - \$100mm on 3/31/2020
 Manulife (Specialty Credit) -\$200mm on 3/4/2020
 Internal TIPS (Real Return) – \$29,800,000 on 4/1/2020, \$43.5mm on 3/27/2020
 BNY Intermediate Credit Index CTF (Core Fixed Income) - \$144mm on 3/24/2020

Asset Allocation – Pension

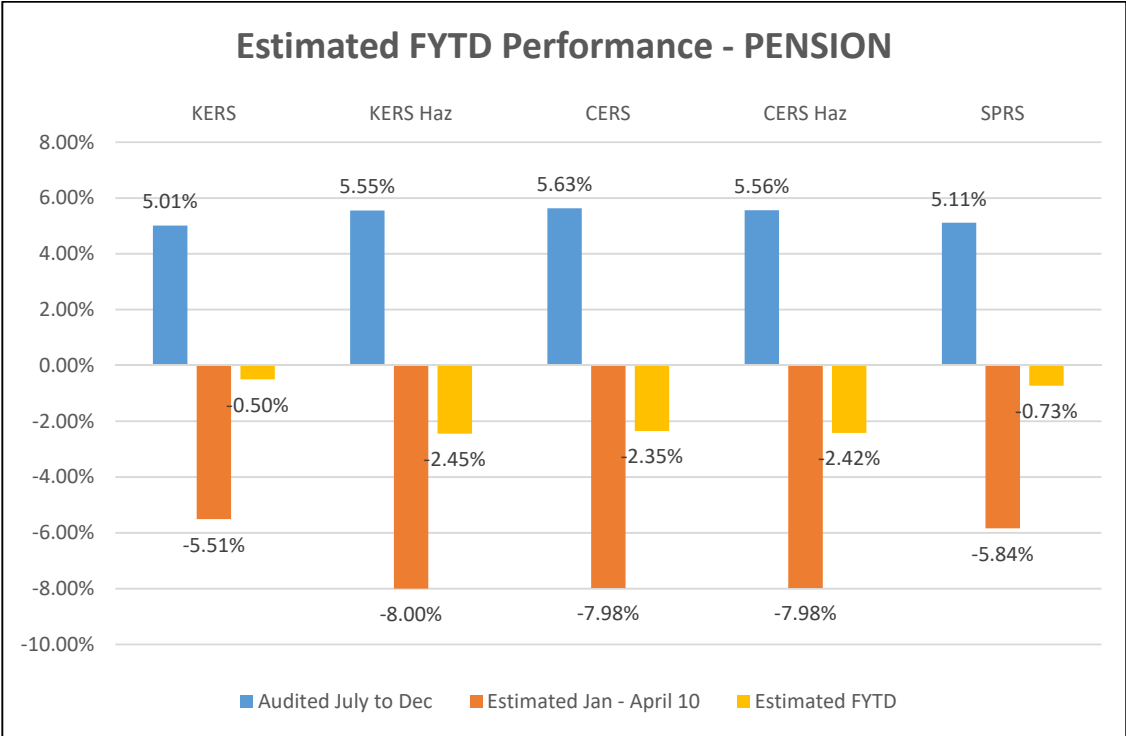
KRS - PENSION FUND ALLOCATIONS										4/9/2020
Category	KERS - PEN					KERSH - PEN				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$ 1,346,404,409	59.9%	53.50%	6.4%	\$ 143,105,744	\$ 452,211,925	67.9%	62.50%	5.4%	\$ 35,840,058
US Equity	\$ 433,424,481	19.3%	15.75%	3.5%	\$ 79,182,351	\$ 149,134,856	22.4%	18.75%	3.6%	\$ 24,223,297
Non-US Equity	\$ 367,944,080	16.4%	15.75%	0.6%	\$ 13,701,949	\$ 132,162,882	19.8%	18.75%	1.1%	\$ 7,251,323
Private Equity	\$ 183,779,690	8.2%	7.00%	1.2%	\$ 26,338,743	\$ 58,378,045	8.8%	10.00%	-1.2%	\$ (8,241,454)
High Yield/Specialty Credit	\$ 361,256,158	16.1%	15.00%	1.1%	\$ 23,882,701	\$ 112,536,141	16.9%	15.00%	1.9%	\$ 12,606,893
Liquidity	\$ 607,708,034	27.0%	23.50%	3.5%	\$ 79,156,284	\$ 117,454,287	17.6%	14.50%	3.1%	\$ 20,856,013
Core Fixed Income	\$ 479,449,674	21.3%	20.50%	0.8%	\$ 18,372,616	\$ 96,701,773	14.5%	13.50%	1.0%	\$ 6,765,450
Cash	\$ 128,258,360	5.7%	3.00%	2.7%	\$ 60,783,668	\$ 20,752,514	3.1%	1.00%	2.1%	\$ 14,090,564
Diversifying Strategies	\$ 293,245,518	13.0%	23.00%	-10.0%	\$ (224,060,451)	\$ 95,012,836	14.3%	23.00%	-8.7%	\$ (58,212,011)
Real Return	\$ 122,478,637	5.4%	15.00%	-9.6%	\$ (214,894,821)	\$ 44,798,778	6.7%	15.00%	-8.3%	\$ (55,130,470)
Real Estate	\$ 97,022,671	4.3%	5.00%	-0.7%	\$ (15,435,148)	\$ 29,083,739	4.4%	5.00%	-0.6%	\$ (4,226,010)
Abs Ret / Opportunistic	\$ 73,744,209	3.3%	3.00%	0.3%	\$ 6,269,518	\$ 21,130,318	3.2%	3.00%	0.2%	\$ 1,144,469
Miscellaneous	\$ 1,798,422	0.1%	0.00%	0.1%	\$ 1,798,422	\$ 1,515,939	0.2%	0.00%	0.2%	\$ 1,515,939
TOTAL PORTFOLIO	\$2,249,156,383					\$666,194,986				
Category	CERS - PEN					CERSH - PEN				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$4,658,381,303	67.8%	62.50%	5.3%	\$ 367,220,199	\$1,559,896,932	67.4%	62.50%	4.9%	\$ 113,797,728
US Equity	\$1,511,466,775	22.0%	18.75%	3.3%	\$ 224,118,444	\$ 506,631,796	21.9%	18.75%	3.1%	\$ 72,802,035
Non-US Equity	\$1,349,789,404	19.7%	18.75%	0.9%	\$ 62,441,073	\$ 452,605,782	19.6%	18.75%	0.8%	\$ 18,776,020
Private Equity	\$637,546,804	9.3%	10.00%	-0.7%	\$ (49,038,973)	\$ 215,726,336	9.3%	10.00%	-0.7%	\$ (15,649,537)
High Yield/Specialty Credit	\$1,159,578,320	16.9%	15.00%	1.9%	\$ 129,699,655	\$ 384,933,018	16.6%	15.00%	1.6%	\$ 37,869,209
Liquidity	\$1,144,649,174	16.7%	14.50%	2.2%	\$ 149,099,798	\$403,219,947	17.4%	14.50%	2.9%	\$ 67,724,932
Core Fixed Income	\$888,884,298	12.9%	13.50%	-0.6%	\$ (38,006,501)	\$ 305,053,277	13.2%	13.50%	-0.3%	\$ (7,304,151)
Cash	\$255,764,877	3.7%	1.00%	2.7%	\$ 187,106,299	\$ 98,166,671	4.2%	1.00%	3.2%	\$ 75,029,083
Diversifying Strategies	\$1,061,400,935	15.5%	23.00%	-7.5%	\$ (517,746,351)	\$ 348,896,399	15.1%	23.00%	-7.9%	\$ (183,268,108)
Real Return	\$496,326,113	7.2%	15.00%	-7.8%	\$ (533,552,551)	\$ 168,323,391	7.3%	15.00%	-7.7%	\$ (178,740,418)
Real Estate	\$323,744,844	4.7%	5.00%	-0.3%	\$ (19,548,044)	\$ 102,309,886	4.4%	5.00%	-0.6%	\$ (13,378,050)
Abs Ret / Opportunistic	\$241,329,978	3.5%	3.00%	0.5%	\$ 35,354,245	\$ 78,263,122	3.4%	3.00%	0.4%	\$ 8,850,360
Miscellaneous	\$1,426,353	0.0%	0.00%	0.0%	\$ 1,426,353	\$ 1,745,448	0.1%	0.00%	0.1%	\$ 1,745,448
TOTAL PORTFOLIO	\$6,865,857,765					\$2,313,758,727				
Category	SPRS - PEN					PENSION TOTAL FUND				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$164,951,122	59.2%	53.50%	5.7%	\$ 15,836,564	\$ 8,181,845,691	66.1%	60.7%	5.5%	\$ 675,800,294
US Equity	\$ 55,333,495	19.9%	15.75%	4.1%	\$ 11,435,284	\$ 2,655,991,404	21.5%	18.1%	3.3%	\$ 411,761,411
Non-US Equity	\$ 46,520,916	16.7%	15.75%	0.9%	\$ 2,622,705	\$ 2,349,023,064	19.0%	18.1%	0.8%	\$ 104,793,071
Private Equity	\$ 17,699,277	6.4%	7.00%	-0.6%	\$ (1,811,039)	\$ 1,113,130,152	9.0%	9.4%	-0.4%	\$ (48,402,259)
High Yield/Specialty Credit	\$ 45,397,433	16.3%	15.00%	1.3%	\$ 3,589,613	\$ 2,063,701,071	16.7%	15.0%	1.7%	\$ 207,648,071
Liquidity	\$74,515,491	26.7%	23.50%	3.2%	\$ 9,016,573	\$ 2,347,546,934	19.0%	16.3%	2.6%	\$ 325,853,601
Core Fixed Income	\$ 60,116,359	21.6%	20.50%	1.1%	\$ 2,979,005	\$ 1,830,205,381	14.8%	14.9%	-0.1%	\$ (17,193,581)
Cash	\$ 14,399,132	5.2%	3.00%	2.2%	\$ 6,037,568	\$ 517,341,552	4.2%	1.4%	2.8%	\$ 343,047,182
Diversifying Strategies	\$ 38,897,171	14.0%	23.00%	-9.0%	\$ (25,208,153)	\$ 1,837,452,859	14.8%	23.0%	-8.2%	\$ (1,008,495,073)
Real Return	\$ 17,921,316	6.4%	15.00%	-8.6%	\$ (23,886,504)	\$ 849,848,236	6.9%	15.0%	-8.1%	\$ (1,006,204,764)
Real Estate	\$ 12,405,449	4.5%	5.00%	-0.5%	\$ (1,530,491)	\$ 564,566,591	4.6%	5.0%	-0.4%	\$ (54,117,742)
Abs Ret / Opportunistic	\$ 8,570,405	3.1%	3.00%	0.1%	\$ 208,841	\$ 423,038,032	3.4%	3.0%	0.4%	\$ 51,827,433
Miscellaneous	\$ 355,017	0.1%	0.00%	0.1%	\$ 355,017	\$ 6,841,179	0.1%	0.0%	0.1%	\$ 6,841,179
TOTAL PORTFOLIO	\$278,718,800					\$12,373,686,662				

Asset Allocation – Insurance

KRS - INSURANCE FUND ALLOCATIONS										4/9/2020
Category	KERS - INS					KERSH - INS				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$ 629,454,350	68.7%	62.50%	6.2%	\$ 56,871,430	\$ 333,013,963	68.2%	62.50%	5.7%	\$ 27,621,918
US Equity	\$ 238,508,318	26.0%	18.75%	7.3%	\$ 66,733,442	\$ 109,881,225	22.5%	18.75%	3.7%	\$ 18,263,611
Non-US Equity	\$ 192,804,873	21.0%	18.75%	2.3%	\$ 21,029,997	\$ 98,820,738	20.2%	18.75%	1.5%	\$ 7,203,124
Private Equity	\$ 54,332,200	5.9%	10.00%	-4.1%	\$ (37,281,067)	\$ 50,778,562	10.4%	10.00%	0.4%	\$ 1,915,835
High Yield/Specialty Credit	\$ 143,808,959	15.7%	15.00%	0.7%	\$ 6,389,058	\$ 73,533,438	15.0%	15.00%	0.0%	\$ 239,347
Liquidity	\$ 162,734,761	17.8%	14.50%	3.3%	\$ 29,895,524	\$ 75,332,202	15.4%	14.50%	0.9%	\$ 4,481,248
Core Fixed Income	\$ 150,031,422	16.4%	13.50%	2.9%	\$ 26,353,512	\$ 65,856,101	13.5%	13.50%	0.0%	\$ (108,581)
Cash	\$ 12,703,339	1.4%	1.00%	0.4%	\$ 3,542,012	\$ 9,476,102	1.9%	1.00%	0.9%	\$ 4,589,829
Diversifying Strategies	\$ 123,996,225	13.5%	23.00%	-9.5%	\$ (86,714,289)	\$ 80,309,504	16.4%	23.00%	-6.6%	\$ (32,074,768)
Real Return	\$ 59,107,063	6.5%	15.00%	-8.5%	\$ (78,312,838)	\$ 35,610,767	7.3%	15.00%	-7.7%	\$ (37,683,324)
Real Estate	\$ 33,445,982	3.7%	5.00%	-1.3%	\$ (12,360,652)	\$ 24,624,634	5.0%	5.00%	0.0%	\$ 193,270
Abs Ret / Opportunistic	\$ 31,443,181	3.4%	3.00%	0.4%	\$ 3,959,200	\$ 20,074,103	4.1%	3.00%	1.1%	\$ 5,415,285
Miscellaneous	\$ (52,665)	0.0%	0.00%	0.0%	\$ (52,665)	\$ (28,397)	0.0%	0.00%	0.0%	\$ (28,397)
TOTAL PORTFOLIO	\$ 916,132,672					\$ 488,627,273				\$ 27,621,918
Category	CERS - INS					CERSH - INS				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$1,618,853,972	68.7%	62.50%	6.2%	\$ 146,671,042	\$853,977,622	68.7%	62.50%	6.2%	\$ 77,514,330
US Equity	\$ 523,389,582	22.2%	18.75%	3.5%	\$ 81,734,703	\$ 272,616,312	21.9%	18.75%	3.2%	\$ 39,677,324
Non-US Equity	\$ 468,192,746	19.9%	18.75%	1.1%	\$ 26,537,867	\$ 244,187,021	19.7%	18.75%	0.9%	\$ 11,248,033
Private Equity	\$ 266,885,782	11.3%	10.00%	1.3%	\$ 31,336,514	\$ 150,331,810	12.1%	10.00%	2.1%	\$ 26,097,683
High Yield/Specialty Credit	\$ 360,385,862	15.3%	15.00%	0.3%	\$ 7,061,959	\$ 186,842,480	15.0%	15.00%	0.0%	\$ 491,289
Liquidity	\$370,869,381	15.7%	14.50%	1.2%	\$ 29,322,942	\$192,023,060	15.5%	14.50%	1.0%	\$ 11,883,576
Core Fixed Income	\$ 335,489,856	14.2%	13.50%	0.7%	\$ 17,498,343	\$ 165,954,105	13.4%	13.50%	-0.1%	\$ (1,761,966)
Cash	\$ 35,379,526	1.5%	1.00%	0.5%	\$ 11,824,599	\$ 26,068,955	2.1%	1.00%	1.1%	\$ 13,645,542
Diversifying Strategies	\$ 365,904,829	15.5%	23.00%	-7.5%	\$ (175,858,489)	\$ 196,412,153	15.8%	23.00%	-7.2%	\$ (89,326,339)
Real Return	\$ 170,567,809	7.2%	15.00%	-7.8%	\$ (182,756,094)	\$ 89,089,538	7.2%	15.00%	-7.8%	\$ (97,261,652)
Real Estate	\$ 106,870,975	4.5%	5.00%	-0.5%	\$ (10,903,659)	\$ 58,580,365	4.7%	5.00%	-0.3%	\$ (3,536,698)
Abs Ret / Opportunistic	\$ 88,466,045	3.8%	3.00%	0.8%	\$ 17,801,264	\$ 48,742,250	3.9%	3.00%	0.9%	\$ 11,472,012
Miscellaneous	\$ (135,495)	0.0%	0.00%	0.0%	\$ (135,495)	\$ (71,567)	0.0%	0.00%	0.0%	\$ (71,567)
TOTAL PORTFOLIO	\$ 2,355,492,687					\$ 1,242,341,269				
Category	SPRS - INS					INSURANCE TOTAL FUND				
	Market Value	Actual	Target	Diff	Market Diff	Market Value	Actual	Target	Diff	Market Diff
Growth	\$130,816,110	69.1%	62.50%	6.6%	\$ 12,479,430	\$ 3,566,116,018	68.7%	62.5%	6.2%	\$ 321,158,151
US Equity	\$ 43,582,914	23.0%	18.75%	4.3%	\$ 8,081,910	\$ 1,187,978,350	22.9%	18.75%	4.1%	\$ 214,490,990
Non-US Equity	\$ 37,896,591	20.0%	18.75%	1.3%	\$ 2,395,586	\$ 1,041,901,967	20.1%	18.75%	1.3%	\$ 68,414,607
Private Equity	\$ 22,941,250	12.1%	10.00%	2.1%	\$ 4,007,382	\$ 545,269,605	10.5%	10.0%	0.5%	\$ 26,076,347
High Yield/Specialty Credit	\$ 26,395,356	13.9%	15.00%	-1.1%	\$ (2,005,447)	\$ 790,966,095	15.2%	15.0%	0.2%	\$ 12,176,207
Liquidity	\$29,186,823	15.4%	14.50%	0.9%	\$ 1,732,713	\$ 830,146,228	16.0%	14.5%	1.5%	\$ 77,316,003
Core Fixed Income	\$ 26,606,026	14.1%	13.50%	0.6%	\$ 1,045,303	\$ 743,937,510	14.3%	13.5%	0.8%	\$ 43,026,610
Cash	\$ 2,580,797	1.4%	1.00%	0.4%	\$ 687,410	\$ 86,208,718	1.7%	1.0%	0.7%	\$ 34,289,393
Diversifying Strategies	\$ 29,346,623	15.5%	23.00%	-7.5%	\$ (14,201,275)	\$ 795,969,334	15.3%	23.0%	-7.7%	\$ (398,175,161)
Real Return	\$ 12,484,310	6.6%	15.00%	-8.4%	\$ (15,916,493)	\$ 366,859,487	7.1%	15.0%	-7.9%	\$ (411,930,401)
Real Estate	\$ 9,402,164	5.0%	5.00%	0.0%	\$ (64,771)	\$ 232,924,120	4.5%	5.0%	-0.5%	\$ (26,672,509)
Abs Ret / Opportunistic	\$ 7,460,149	3.9%	3.00%	0.9%	\$ 1,779,988	\$ 196,185,727	3.8%	3.0%	0.8%	\$ 40,427,750
Miscellaneous	\$ (10,868)	0.0%	0.00%	0.0%	\$ (10,868)	\$ (298,992)	0.0%	0.0%	0.0%	\$ (298,992)
TOTAL PORTFOLIO	\$ 189,338,688					\$ 5,191,932,588				

Performance

Performance – Pension



Performance – Insurance

